

CITY OF SAN CLEMENTE

City Council Minutes

Adjourned Regular Meeting - October 30, 2007

An Adjourned Regular Meeting of the San Clemente City Council was called to order on October 30, 2007 at 2:40 p.m. in the Ole Hanson Room of the Community Center, located at 100 N. Calle Seville, San Clemente, California.

PRESENT

ANDERSON, DONCHAK, EGGLESTON, KNOBLOCK,
MAYOR DAHL*

*Arrived at 2:45 p.m.

ABSENT

NONE

STAFF PRESENT

George Scarborough, City Manager; Pall Gudgeirsson, Assistant City Manager; Jim Holloway, Community Development Director; David Lund, Public Works/Economic Development Director; Al King, Beaches, Parks and Recreation Director; Tom Rendina, Finance Manager; Kumi Elston, Purchasing/Budget Officer; Joanne Baade, City Clerk; Rita Mueller, Records Management Coordinator

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Oral Communications

Construction of Fence Along Ridge of the Canyon on Avenida San Pablo

Kelly Faris, San Clemente, presented a petition (signed by 62 residents) that opposed the construction of a chain link fence along the ridge of the canyon located on Avenida San Pablo; urged that the community and City work together toward a solution that will protect the reservoir while simultaneously preserving neighborhood aesthetics.

Brad Wright, San Clemente, reiterated concerns with the construction of the subject chain link fence, noting that this is the first time he has complained to the City during his 27 years of residency.

Council noted that the fencing design has been modified and requested that City representatives meet with the community to explain the modified fencing proposal before the fence is erected.

1. **Financial Planning Process**

Shayne Kavanaugh, Senior Manager of the Government Financial Officers Association and author of "Financing the Future - Long-Term Financial Planning for Local Government", narrated a PowerPoint presentation entitled "Long-Term Financing Planning From an Elected Official's Viewpoint". A hard copy of Mr. Kavanaugh's presentation is on file with the City Clerk.

Assistant City Manager Gudgeirsson provided an overview of the City's current financial planning process. Mr. Kavanaugh then explained ten key concepts to modify the financial planning process. Please refer to the hard copy of Mr. Kavanaugh's PowerPoint presentation for a description of the ten concepts.

During the ensuing discussion, individual Councilmember(s) expressed opinions as follows. The below listing does not necessarily reflect Council consensus.

- Public input should be provided early in the financial planning process.
- The Strategic Plan should be coordinated with the General Plan.
- Council input should be obtained in an open forum as opposed to one-on-one sessions with individual Councilmembers.
- The Vital Few Process could be improved since too many priority projects are identified and some are short-term while others are long-term. Additionally, it would be advantageous for the Vital Few Priorities to be determined earlier in the Long-Term Financial Planning process. (Assistant City Manager Gudgeirsson is currently evaluating the process and will be proposing improvements in the future.)
- The financial planning process should be as simple, streamlined and efficient as possible to achieve desired objectives.
- The City should take advantage of local expertise in providing input into the financial planning process.

2. **Financial Update**

Assistant City Manager Gudgeirsson narrated PowerPoint presentations entitled “Fiscal State of the City” and “Financial Forecast” and responded to Council inquiries. Hard copies of Mr. Gudgeirsson’s presentations are on file with the City Clerk.

City Manager Scarborough reviewed the project summaries for the La Pata/Vista Hermosa Sports Park, Civic Center, and Downtown Fire Station/Senior Center and responded to Council inquiries. A hard copy of Mr. Scarborough’s presentation is on file with the City Clerk.

3. **Overview of Capital and Short-Term Financial Options**

Larry Rolapp, of Fieldman Rolapp and Associates, narrated a PowerPoint presentation entitled “Overview of Capital and Short-Term Financing Options”, which focused on types of debt instruments, cost of issuance, timelines, and typical repayment alternatives. Additionally, Mr. Rolapp recommended financing alternatives, and provided estimated annual debt service costs, for the La Pata/Vista Hermosa Sports Park, Civic Center, and Downtown Fire Station/Senior Center projects. During the ensuing discussion, Mr. Rolapp and Staff responded to inquiries relative to financial options. A hard copy of Mr. Rolapp’s presentation is on file with the City Clerk.

Mark McGuire requested, and City Manager Scarborough agreed, that the materials from this meeting will be posted to the City’s website.

MEETING RECESSED

Council recessed at 5:30 p.m. and reconvened at 6:00 p.m., with all members present.

4. **City Services Currently Outsourced/Private**

Assistant City Manager Gudgeirsson narrated a PowerPoint presentation entitled “Contract Services” and responded to Council inquiries. A hard copy of Mr. Gudgeirsson’s presentation is on file with the City Clerk.

5. **The Mechanics of Outsourcing/Privatization**

Nick Conway, Arroyo Associates, presented the structured methodology that is utilized by the federal government and numerous state and local jurisdictions to analyze services to determine whether it is more cost effective to outsource the service or to perform the service in-house; reviewed a flow chart diagram entitled "Privatization - Work Plan Schematic" that proposes an analytical process to be followed to properly assess whether contracting represents a viable option.

During the ensuing question and answer session, Mr. Conway noted that 1) the City would need to assess its core values to determine which services may, or may not, be appropriate for privatization; 2) vendors commonly employ persons whose positions are being outsourced; 3) it would take approximately three months to complete a contracting feasibility analysis; and 4) the Federal government does not contract services unless the cost is at least 15% less than the cost to provide services in house.

6. **What do we want our future to be? Strategic Planning**

Royleen White, of Royleen White and Associates, distributed and explained a paper entitled "Strategic Planning: Some Key Elements", which is on file with the City Clerk; commented on the benefit of engaging the community in a structured visioning process to facilitate the establishment of a strategic plan; noted that community engagement is correlated to success.

Council expressed an interest in possibly pursuing a strategic planning process as a prelude to the General Plan update and requested that Ms. White provide a proposal to assist in this regard. The proposal is to be considered during the Vital Few Priority process.

7. **Public Comment**

Bob Asheville, Veolia Water, narrated a PowerPoint presentation entitled “Contract Operations and Public/Private Partnerships in the Water/Wastewater Industry”, which is on file with the City Clerk; stated that his company is the largest contract operator for water and wastewater services in the United States; explained the concept of a public/private partnership as it would relate to operation of the City’s wastewater treatment plant; noted that Veolia Water would negotiate with the City for a contract that provides the scope of services and risk profile that the City desires.

During the ensuing discussion, Council determined that the issue of possible outsourcing would be better considered in conjunction with the Vital Few Priorities. If Council determines to embark on the strategic planning process, the possibility of outsourcing municipal services can be included as components of that process.

Possibility of Creating a Financial Advisory Committee

Council directed that the possibility of creating a Financial Advisory Committee to consider and transmit recommendations to Council relative to funding mechanisms for the La Pata/Vista Hermosa Community Park be agendized in December 2007.

8. **Adjournment**

There being no further business, Council adjourned to an Adjourned Regular Meeting to be held on November 6, 2007 in the Council Chambers, located at 100 Avenida Presidio, San Clemente, California. Closed Session items will be considered at 5:00 p.m. The General Session will commence at 7:00 p.m.

CITY CLERK of the City of
San Clemente, California

MAYOR of the City of
San Clemente, California